



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No: 2532 (1940)

May 1, 1992

SUBJECT: Environmental Review for Categorical Exclusions

TO: State Directors, District Directors,
and County Supervisors

Purpose/Intended Outcome:

As required by the National Environmental Policy Act (NEPA), all FmHA actions must receive an appropriate level of environmental review. When an action is classified as a Categorical Exclusion (CE), it does not mean that the action is excluded from an environmental review. The purpose of this AN is to clarify the definition of a CE and the method and the amount of detail which must be provided to document the environmental review for these actions.

Comparison with Previous AN's:

No previous AN's have been issued concerning this issue.

Implementation Responsibilities:

FmHA Instruction 1940-G, prepared pursuant to NEPA, describes an environmental review process for evaluating the potential environmental impacts of a given action. The first step in the review process involves those actions defined and classified as CEs. CEs are defined as a category (e.g. class) of actions which do not individually or cumulatively have a significant effect on the human environment and therefore do not require a Class I or Class II Environmental Assessment (EA) or an Environmental Impact Statement (EIS). FmHA actions defined as CEs are listed in FmHA Instruction 1940-G, section 1940.310.

Therefore, each proposed action must be examined individually. It is FmHA's responsibility to make such inquiries as are necessary to ensure that actions believed to be CEs are indeed categorically excluded and that environmental policies are met. "Inquiries" may include, but are not limited to:
(1) examination of the State Natural Resources Management Guide and supporting documents, maps, etc. in FmHA's environmental

EXPIRATION DATE: December 31, 1992

FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1940-G



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library; (2) field visit to the site; (3) documented telephone conversations; and (4) written correspondence and documents from other Agencies. The first consideration should be given to an examination of the State Natural Resources Management Guide and Form FmHA 1940-20 "Request for Environmental Information", if requested by FmHA. FmHA should follow-up with calls, letters and field visits, when the preparer of the environmental review determines it is necessary.

FmHA Instruction 1940-G, section 1940.317, describes the method for proper implementation of CEs. Most CE actions will require preparation of Form FmHA 1940-22; however, there are a few actions where only a running case record entry is necessary (reference section 1940.317(c)). An FmHA action initially classified as a CE under section 1940.310, will remain a CE only so long as there are no circles marked on Form FmHA 1940-22 "Environmental Checklist for Categorical Exclusion". If a circle is marked on this form, the CE status for the project is lost, and further environmental review is necessary. Paragraphs (e) and (f) of section 1940.317 must be carefully followed. To re-emphasize, the fact that section 1940.310 lists a particular FmHA action as a CE does not mean that the action is excluded from environmental review, nor does it mean that the action will always be exempt from a more detailed environmental review, e.g. an EA or EIS. Form FmHA 1940-22 constitutes a decision statement that the proposed action meets the criteria for a CE and the potential impacts on protected resources have been considered (reference item 4 on Form FmHA 1940-22). Only an FmHA official is authorized to prepare and execute Form FmHA 1940-22 (reference 1940.302(i)).

There are no specific documents which must be attached to the form. However, if the basis for part or all of FmHA's decision to execute Form FmHA 1940-22 is provided by some document or information other than what is available in the environmental library of the FmHA office responsible for preparing the environmental review, that information should be attached to the decision statement. The approving official for the action is responsible for determining that all environmental considerations have been appropriately addressed (reference section 1940.316(a)).

If you have any questions, please contact Donald L. Stander, Program Support Staff at FTS 720-9619 or commercial (202) 720-9619.


LA VERNE AUSMAN
Administrator